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Reuter photo



Rewald to get more CIA file

Ruling called breakthrough for defense

By Walter Wright
Advertiser Staff Writer

Ronald Rewald is entitled to see any CIA information supporting his claim that the organization ordered him to set up his Hawaii investment company and to spend its money lavishly to maintain a cover for spying, a federal judge ruled yesterday.

Rewald attorney Michael Levine, the federal public defender here, called the ruling a breakthrough. It keeps alive, at least until a pretrial test on admissibility of evidence, Rewald's claim that he is innocent of bilking hundreds of investors because the CIA made him do it.

But government attorneys said the records will prove that Rewald's link to the CIA was "peripheral" and no excuse for Rewald pocketing \$5.5 million of investors' money.

CIA Director William Casey and his pre-

decessor, Stansfield Turner, said in affidavits revealed yesterday that they didn't order Rewald to break the law and didn't have the authority to do so.

Casey said a search of records indicated no CIA employee ever authorized or allowed the fraudulent activities Rewald is charged with.

U.S. District Judge Harold Fong said it would be an arguable legal defense to some of the 100 counts of perjury, fraud and tax evasion if Rewald can prove that he was acting under CIA orders.

Fong ordered the government to respond by March 29 to each of 1,717 questions posed by Rewald.

The judge said more legal battles over those questions probably will delay Rewald's trial until late summer. And Rewald's lawyers disclosed yesterday they will attempt to move the trial from Hawaii

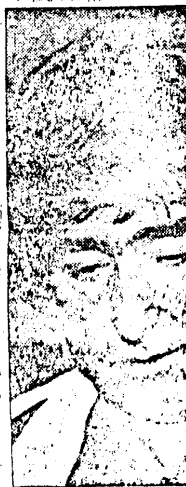
because of what they call unfair pretrial publicity.

The government said it already had given Rewald 220 CIA-related documents, was prepared to turn over 170 more and could respond to all of the questions by next Friday.

Government attorneys said the documents, including a "clearly circumscribed" contract with the CIA, will show that Rewald's role included maintaining telephone and telex lines to provide backstop commercial "cover" for CIA personnel masquerading as businessmen. His role also included making reports to the CIA after his own foreign trips, the attorneys said.

And the government attorneys said they will still refuse to give Rewald some things, like CIA manuals on clandestine

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Ronald Rewald
Putting blame on CIA



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Rewald to get more CIA files

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operations all over the world and full personnel files on CIA agents.

Special Assistant U.S. Attorney Theodore Greenberg said that merely because Rewald may have answered a telephone for the CIA, Rewald now wants to see, for his defense, copies of "CIA manuals on how the CIA conducts clandestine operations all around the world."

Greenberg said the government has in its possession 170 additional documents relating to the cover operations and to Rewald's reports on foreign travel and is prepared to show them to Rewald as a result of the court's ruling.

Rewald's next hurdle is to persuade the court that any information he gets is actu-

ally relevant to the charges against him. Judge Fong said this will require closed hearings if it deals with national security matters such as names of agents or cover companies.

In a related matter, Fong denied Rewald's motion to disqualify Greenberg and chief prosecutor John Peyton from the case because of Greenberg's past prosecution of CIA-related cases and Peyton's former employment as chief of litigation for the CIA.

Regarding CIA Director Casey's affidavit, Assistant Public Defender Brian Tamanaha, representing Rewald, told the court it should not accept Casey's word because the director had backtracked recently on a claim to a congressional committee that the agency was not involved in a particular illegal activity.

Greenberg acknowledged that Rewald arranged limousine service for Turner on one of his visits to Hawaii. But that didn't amount to a personal relationship between the CIA director and the accused swindler, Greenberg said.

Greenberg tried to treat Rewald's defense claims as if Rewald were saying he was innocent because he didn't consider his acts illegal. Judge Fong rejected that argument as narrow and technical.

The judge said Rewald was entitled to see anything supporting a defense that he didn't intend to defraud anyone, that the government's participation in the activity was so outrageous that Rewald should not be held responsible or that his allegedly perjurious statements about the CIA are in fact true.

Maui tax hike sought on hotels, apartments

By Edwin Tanji
Advertiser Maui County Bureau

WAILUKU — Maui Mayor Hannibal Tavares yesterday handed the County Council a \$65.26 million budget for 1985-86 that includes a \$2.10 increase in real property tax rates for hotel and apartment properties.

The variable tax rate, which boosts rates by \$1 per \$1,000 valuation for commercial/industrial properties and by 35 cents for residential and agricultural properties, is expected to generate about \$5 million more in property tax revenues, according to Tavares' budget.

The budget projects real property revenues to increase from \$24.8 million to \$29.9 million. Real property taxes will represent about 49 percent of total county

In his budget message, Tavares said the increase in the residential tax rate would only offset the expected decrease in total valuation of all residential properties. Thus, even with the 35-cent increase, he said the revenues from residential properties will be the same as the county received in fiscal 1984.

Final figures on the changes in valuations for the eight classes of real property won't be available until after April 19, but Fred Asuncion, property tax administrator, said the county figures overall valuations will drop 2 percent.

If there is a 2 percent decrease in real property valuations, and if real property tax rates were to remain at \$4.50 per \$1,000 valuation, the county would see a \$500,000 drop in real property tax revenues.



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